C. ANTYODAYA ANNA YOJNA (AAY)

Under Antyodaya Anna Yojna which was introduced with effect from 1.3.2001, the prices of Rice and Wheat are Rs. 3 and Rs. 2 per kg. respectively.

Working capital for SSIs

*153. SHRI LALITBHAI MEHTA:
SHRIMATI SAVITA SHARDA;

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) the number of SSIs that have been closed and the number of SSIs that have been registered, State-wise from 1998-99 to 2002-03 and what is the total number of SSIs as on the 31st October, 2003;

(b) whether it is a fact that in spite of Naik Committee recommendations, adequate working capital is not provided to SSIs by the Banks; and

(c) whether Government propose to help SSIs in their revival and for fulfilling adequately their working capital needs?

THE MINISTER OF SMALL SCALE INDUSTRIES (DR. C. P. THAKUR): (a) The information on closed units is not maintained centrally. However, as per the quick results of the 3rd All India Census of Small Scale Industrial (SSI) units, registered upto 31.03.2001 and data collected for the year 2001-02, it was estimated that 37.65% of the SSI units were closed in the country. State-wise break up of these units is given at Statement-I. (*See* below) The number of SSI units registered from 1998-99 to 2002-03 was 5,47,905. State-wise break up of these units is given at Statement-II. (*See* below) Data on number of SSI units granted permanent registration by the State Directorate of Industries is collected on quarterly basis. Therefore, total number of SSI units registered upto 31.10.2003 is not available. The total number of SSI units registered, as on 30.09.2003 was 28,23,317.

(b) Based on Nayak Committee recommendations, banks have been advised to adopt computation of working capital requirements of SSI

units on the basis of simplified method of minimum 20% of the projected annual turnover of the units for fixing borrowing limits upto Rs. 5 crore. Although, the share of SSI in the net bank credit declined from 17.3% in 1999 to 11.1% in March, 2003, the flow of credit by Public Sector Banks to SSI has risen steadily from Rs. 16783 crore in 1991 to Rs. 52,988 crore in 2003.

(c) Government is fully seized of the incidence of industrial sickness among SSI units and has taken various measures to facilitate timely identification and rehabilitation of potentially viable sick units, which *inter-alia* include institutional mechanism in the form of State-Level Inter-Institutional Committees (SLIICs), Special Rehabilitation Cells in banks and State Financial institutions and Rehabilitation guidelines issued by the Reserve Bank of India (RBI) for extending rehabilitation assistance to eligible units. Based on the recommendations of the Working Group constituted under the Chairmanship of Shri S.S. Kohli, the RBI has issued detailed revised guidelines to banks on 16th January, 2002 for detection of sickness at an early stage and taking remedial measures for rehabilitation of sick SSI units identified as potentially viable. The revised guidelines include criteria for identifying sick units as per revised definition.

To cater to the working capital needs of the small scale industries, the following policy measures have been taken;

(i) Collateral free loan upto Rs. 5 lakhs in respect of credit worthy and financially sound units, banks have been advised to waive collateral requirement upto Rs. 25 lakhs.

(ii) Banks have been advised to enhance the composite loan limit from Rs. 25 lakhs to Rs. 50 lakhs.

(iii) Inclusion of lending by banks to NBFCs or other intermediaries for the purpose of on-lending to the SSI sector within the ambit of priority sector lending to enhance the reach of banks to the tiny sector.

(iv) As per the announcement made by the Hon'ble Finance Minister in the Union Budget 2003-04, IBA have already advised the Banks to adopt the interest rate bank of 2 per cent above and below its prime lending rate (PLR) for secured advances.

(v) Banks have been advised to incorporate in their Annual Credit Plans for the year 2003-04, the credit requirement in the clusters identified by the Ministry of SSI, Government of India.

Statement-I

State-wise distribution of working and closed registered SSI Units as per quick results of third census 2001-02

Sl.No.	Name of the State/ Union Territory	No. of registered SSI units		
		Working	Closed	Total
1.	Jammu & Kashmir	16,699	22,981	39,680
2.	Himachal Pradesh	11,092	6,340	17,432
3.	Punjab	71,091	83,595	154,686
4.	Chandigarh	1,366	1,338	2,704
5.	Uttaranchal	15,907	11,508	27,415
6.	Haryana	40,215	27,198	67,413
7.	Delhi	9,445	6,295	15,740
8.	Rajasthan	46,378	37,878	84,256
9.	Uttar Pradesh	173,269	116,300	289569
10.	Bihar	53,631	20,860	74,491
11.	Sikkim	158	180	338
12.	Arunachal Pradesh	361	218	579
13.	Nagaland	503	195	698
14.	Manipur	4,746	1,032	5,778
15.	Mizoram	2,890	1,327	4,217
16	Tripura	995	1,044	2,039
17.	Meghalaya	2,023	1,745	3,768
18.	Assam	14,807	10,140	24,947
19.	West Bengal	40,054	29,215	69,269
20.	Jharkhand	19,399	13,622	33,021
21.	Orissa	6,752	15,572	22,324
22.	Chhattisgarh	36,895	26,084	62,979
23.	Madhya Pradesh	107,391	63,985	171,376

Sl.No.	Name of the State/ Union Territory	No. of registered SSI units		
		Working	Closed	Total
24.	Gujarat	161,838	16,423	178,261
25.	Daman & Diu	937	568	1,505
26.	Dadra & Nagar Haveli	333	802	1,135
27.	Maharashtra	76,378	61,441	137,819
28.	Andhra Pradesh	66,269	36,492	102,761
29.	Karnataka	131,247	34,094	165,341
30.	Goa	2,039	2,803	4,842
31.	Lakshadweep	68	16	84
32.	Kerala	151,504	73,020	224,524
33.	Tamil Nadu	168,435	140,727	309,162
34.	Pondicherry	1,827	2,535	4,362
35.	Aandaman & Nicobar	762	448	1,210
	ALL-INDIA TOTAL:	1,437,704	868,021	2,305,725

Statement-II

The number of SSI Units (SIDO) Permanently registered from 1998-99 to 2002-03

Sl.No.	Name of the State/ Union Territory	Number of SSI's Registered from 1998-99 to 2002-03
1.	Jammu & Kashmir	4592
2.	Himachal Pradesh	3261
3.	Punjab	6596
4.	Chandigarh	173
5.	Uttaranchal	3619
6.	Haryana	-7942
7.	Delhi	-5501
8.	Rajasthan	16380
9.	Uttar Pradesh	87799
10.	Bihar	20696

Sl.No.	Name of the State/ Union Territory	Number of SSI's Registered from 1998-99 to 2002-03
11.	Sikkim	48
12.	Arunachal Pradesh	-221
13.	Nagaland	1255
14.	Manipur	526
15.	Mizoram	1376
16.	Tripura	-3783
17.	Meghalaya	1989
18.	Assam	6149
19.	West Bengal	5928
20.	Jharkhand	2067
21.	Orissa	5826
22.	Chhattisgarh	2049
23.	Madhya Pradesh	26077
24.	Gujarat	46748
25.	Daman & Diu	946
26.	Dadra & Nagar Haveli	1005
27.	Maharashtra	31765
28.	Andhra Pradesh	12088
29.	Karnataka	43256
30.	Goa	1140
31.	Lakshadweep	35
32.	Kerala	83067
33.	Tamil Nadu	147704
34.	Pondicherry	909
35.	Andaman & Nicobar	283
	ALL-INDIA TOTAL:	547905

NOTE: The number of permanently registered SSI units (SIDO) in respect of States *viz.*, Haryana, Sikkim, Tripura, Delhi, Arunachal Pradesh and Madhya Pradesh which were found closed during 1998-99 to 2002-03 were deleted/de-registered by the respective States.

(*)-Provisional.